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ABSTRACT

Career development programs (CDPs) are a rather recent area of study in organizational and industrial psychology. The present study investigated the nature and evaluation of CDPs in Fortune 500 firms. Data were obtained by a mailed questionnaire completed by the firms' human resources directors. Of the 500 companies surveyed, only those 50 that had CDPs in place were analyzed. Results indicated that CDPs were targeted at middle-to-upper-level managers and that the programs were rated as being quite helpful. CDPs were usually of short duration (workshops lasting several days) and conducted by professionals from within the organization. Some of the implications of these findings parallel those suggested by Hall and Lerner in their review article "Career Development in Work Organizations: Research and Practice": (1) very little evaluation research is being conducted on career programs in industry, and (2) the efficacy of CDPs has yet to be widely accepted by company executives in large industries. Undoubtedly, much more research will be needed in the area, and some creative approaches should facilitate the design and positive outcome of CDPs and related career counseling/management interventions in large firms. (Author/KC)

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CAREER DEVELOPMENT PROGRAMS IN FORTUNE 500 FIRMS

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ABSTRACT

Career Development Programs in Fortune 500 Firms

Career Development Programs (CDPs) are a rather recent area of study in organizational and industrial psychology. The present study investigated the nature and evaluation of CDPs in Fortune 500 firms. Data were obtained by a questionnaire completed by the firm's human resources director. Of the 500 companies surveyed, only those that had CDPs in place (N = 50) were analyzed. Results indicated that CDPs were targeted at middle-to-upper level managers and that the programs were evaluated as being quite helpful. CDPs were usually of short duration (workshops lasting several days) and conducted by professionals from within the organization. The findings were discussed in light of some recent literature in the field.

CAREER DEVELOPMENT PROGRAMS IN FORTUNE 500 FIRMS

Career development programs in large companies and industries are a recent phenomena although a few chapters on career planning in the workplace (Brooks, 1985) and career development in organizations (Montress & Shinkman, 1981) have appeared. Burack and Mathys (1980) focus on this contemporary topic in their text Career Management in Organizations: A Practical Human Resource Planning Approach. More recently, Burack (1983) presents an overview of career management in organizations on such topics like career ladders, individual assessment and career pathing, managerial attitudes on career issues, structure of a career advisory program, and individual needs assessment analysis. Burack's model is primarily conceptual in framework and focuses on developing in-house career management programs with attention to advantages and obstacles that such innovation creates.

Despite the widely claimed benefits of employer sponsored career planning programs, the dearth of research and evaluation renders these optimistic claims mostly speculative. Evaluation studies should be an integral aspect of any career development program and goals and objectives should specify relevant measures of outcomes. In fact, Leibowitz and Schlossberg (1981) assert that "if a career development program is to win the continued support of organizational decision makers, it must prove its effectiveness." Storey (1979) proposed the following as

fruitful evaluation areas:

a) What is the purpose of the evaluation or for what will the results be used (e.g., to justify continuing the program? To justify the cost? To determine participant learning?)

b) Who is the evaluation for--trainers? Top management?

c) Is the purpose of the program to increase employee morale, satisfaction, or productivity? To increase participant self-knowledge?

d) What is the impact on the organizational "bottom line" --profits, productivity, employee satisfaction?

With these points in mind, the present study investigated the state of the art of career development programs in 500 firms listed in the 1985 Fortune 500 magazine. Data from 50 firms that either have or have had experience with CDPs were reported in the current study. The brief questionnaire inquired about a) the level at which CDPs were implemented b) how the Human Resource Director and participants evaluated the program c) Format of the CDPs and d) other career training programs valued by the firm. The Human Resources Director was asked to respond to the questionnaire.

RESULTS

Listed below are the results obtained from 50 of the FORTUNE 500 firms that had enacted CDPs (Percentages are based on the total number of 50 respondents).

1. Who conducted the CDP program for your firm?

   Professionals within your organization. 65%

	Consultants outside your organization.	35%
2.	For what group was the CDP designed?	
	Upper Level Managers	19%
	Middle Level Managers	41%
	Entry Level Managers	40%
3.	How would you evaluate the program?	
	Very Helpful.	44%
	Somewhat Helpful.	56%
	Not Helpful.	0%
4.	How did participants rate the program?	
	Very Helpful.	42%
	Somewhat Helpful.	58%
	Not Helpful.	0%
5.	Who initiated and/or sponsored the Career Development Program?	
	Executive Officer of Principal Administrator.	43%
	Upper-level Management.	48%
	Middle-level Management.	4%
	Employees	4%
6.	What was the time format of the Career Development Program?	
	1-Day Seminar.	26%
	Continuous workshop (more than one consecutive day).	60%
	Weekly Sessions.	13%

CONCLUSIONS

Few career development programs (CDPs) have been systematically studied and even fewer studies have investigated the practical nature, design, or evaluation of CDPs in major industries.

The current findings indicated that CDPs in Fortune 500 Firms were targeted at middle-to-upper level managers and that in general the programs were found to be quite helpful. This latter viewpoint was perceived by management and participants alike. Furthermore, it was found that the implementation of CDPs were usually initiated by upper-level management or by the firm's CEO. Although the length of programs varied widely, the majority of CDPs were limited in time and usually conducted by professionals from inside the organization. Lastly, it appeared that most of the firms had various types of "permanent" career training programs (e.g., Supervisory training, leadership management, assessment centers) in place and that these programs were considered highly effective.

According to the Sterling Institute, a Washington D.C. management consulting firm, the average corporation loses 50% of its college recruits within 5 years (Journal of College Placement, 1982). Apparently, employee goals, satisfaction, and incentives have been at odds with management objectives and company operating styles and policy. This inconsistency has lead to increased job dissatisfaction and industrial inefficiency. One approach to the solution of this problem for employees and employers alike, would be implementation of

career development programs within companies and firms. On the other hand, introduction of CDPs would not come without some initial expense, but eventually such programs could be quite cost-effective. For example, Moravec (1982) reported that a career counseling program in a bank saved $1.95 million in one year, an estimate based on a 65% reduction in turnover, 85% improved performance, 25% increased productivity, and a 75% increase in promotability.

Some of the implications of the present findings parallel those suggested by Hall and Lerner in their review article "Career development in work organizations: Research and practice": that is, a) very little evaluation research is being conducted on career programs in industry, and b) the efficacy of CDPs has yet to be widely accepted by company executives in large industries. Undoubtedly, much more research will be needed in the area, and some rather creative approaches should facilitate the design and positive outcome of CDPs and related career counseling/management interventions in large firms. Evaluation efforts of such programs should enhance the decision-making process of personnel directors, upper-level management, and ultimately CEOs when the issue is Human Resource Development.

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